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DEPARTMENT OF ENERGY
Federal Energy Regulatory Commission

[Docket No. AD18-12-000; Docket No. EL17-45-000; Docket No. ER18-370-000]

Supplemental Notice of Technical Conference; Transmission Planning Within the California Independent System Operator Corporation; California Public Utilities Commission, Northern California Power Agency, City and County of San Francisco, State Water Contractors, Transmission Agency of Northern California v. Pacific Gas and Electric Company, Southern California Edison Company

As announced in the Notice of Technical Conference issued on March 23, 2018, the Federal Energy Regulatory Commission staff will hold a technical conference on May 1, 2018, at the Commission's headquarters at 888 First Street, NE, Washington, DC 20426, between 9:00 am and 4:00 pm (Eastern Time). The purpose of the technical conference is to explore the processes used by participating transmission owners (PTOs) in the California Independent System Operator Corporation (CAISO) to determine which transmission-related maintenance and compliance activities/facilities, including, but not limited to, transmission-related capital additions, are subject to the CAISO Transmission Planning Process (TPP).¹

In Order No. 890, the Commission required all public utility transmission providers, including regional transmission organizations (RTOs) and independent system operators (ISOs), to revise their open access transmission tariffs (OATTs) to incorporate a transmission planning process that satisfied nine transmission

¹ Commission staff is using "transmission-related maintenance and compliance activities/facilities" as a term intended to encompass the activities, facilities, and/or projects at issue in the proceedings included in this notice. The Parties in these proceedings do not use a common definition or phrase that is set out in any tariff or business practice manual (BPM). Staff's intent for the technical conference is to include a broad category of transmission-related activities and facilities. This includes any work on the transmission system, including, but not limited to, transmission-related maintenance, repair, replacement, or compliance activities and associated facilities, as well as transmission-related capital additions.

planning principles to limit the opportunities for undue discrimination and anticompetitive conduct in transmission service.² In Order No. 890-A, the Commission noted that each RTO and ISO may fulfill its obligations under Order No. 890 by delegating certain planning activities to, or otherwise relying on, its transmission owning members, provided that the rights and responsibilities of all parties are clearly stated in the RTO's/ISO's OATT.³ The Commission also explained that, in many cases, RTO/ISO transmission planning processes may focus principally on regional problems and solutions, while local planning issues may be addressed by individual transmission owners.⁴ Noting that these local transmission planning issues may be critically important to transmission customers, the Commission stated that transmission owners must, to the extent that they perform transmission planning within an RTO or ISO, comply with Order No. 890 as well.⁵

In a series of orders issued between 2008 and 2010, the Commission accepted CAISO's TPP as consistent with the requirements of Order No. 890.⁶ As is relevant here, in an order issued on May 21, 2009, the Commission found that "the local planning activities conducted by the participating transmission owners [in CAISO] are reasonable and the process, as set forth in the [CAISO] tariff and business practice manual, is transparent."⁷ However, more recently, a number of interested parties have raised concerns regarding the lack of opportunity for stakeholder review of transmission-related maintenance and compliance activities, including, but not limited to, certain transmission-related capital additions, which

² Order No. 890, FERC Stats. & Regs. ¶ 31,241 at PP 426, 435; *see* Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 171. These transmission planning principles are: (1) coordination; (2) openness; (3) transparency; (4) information exchange; (5) comparability; (6) dispute resolution; (7) regional participation; (8) economic planning studies; and (9) cost allocation for new projects.

³ Order No. 890-A, FERC Stats. & Regs. ¶ 31,261 at P 175.

⁴ Order No. 890, FERC Stats. & Regs. ¶ 31,241 at P 440.

⁵ *Id.*

⁶ *See Cal. Indep. Sys. Operator Corp.*, 123 FERC ¶ 61,283 (2008), *order denying reh'g and on compliance filing*, 127 FERC ¶ 61,172 (2009), *order on compliance filing*, 130 FERC ¶ 61,048 (2010).

⁷ *Cal. Indep. Sys. Operator Corp.*, 127 FERC ¶ 61,172 at P 118.

CAISO PTOs do not submit to CAISO's TPP.⁸

In an order issued March 23, 2018 in Docket No. ER18-370-000,⁹ the Commission found that protesters in that proceeding raised important questions that relate to the processes by which all CAISO PTOs¹⁰ determine which transmission-related maintenance and compliance activities, including, but not limited to, transmission-related capital additions, must be submitted to CAISO's TPP.¹¹ In that order, the Commission directed Commission staff to convene a technical conference to explore these issues.

Given the background provided herein, participants should be prepared to discuss the following:

1. Please define and describe what constitutes transmission-related maintenance and compliance activities/facilities. Please provide specific examples and an explanation regarding how it is determined that such an example falls into the category of transmission-related maintenance and compliance activities/facilities. How does each CAISO PTO identify the need for transmission-related maintenance and compliance activities/facilities and decide which activities/facilities to undertake?

⁸ See, e.g., *Cal. Pub. Utils. Comm'n, et al. v. Pacific Gas & Elec. Co.*, Complaint, Docket No. EL17-45-000 (filed Feb. 2, 2017) (asserting that Pacific Gas & Electric Co. is in violation of Order No. 890 because it conducts more than 80 percent of its transmission planning on an internal basis without stakeholder review); *Cal. Pub. Utils. Comm'n Dec. 22, 2017 Protest*, Docket No. ER18-370-000 (protesting Southern California Edison Co.'s filing of an amendment to its Transmission Owner Tariff to create an annual Transmission Maintenance and Compliance Review process on the basis that the proposed process does not meet the requirements of Order No. 890).

⁹ *S. Cal. Edison*, 162 FERC ¶ 61,264 (2018).

¹⁰ Although the concerns protesters raised in Docket No. ER18-370-000 relate specifically to SoCal Edison, the Commission found that the questions raised were also applicable to the processes that other CAISO PTOs use to identify which transmission-related maintenance and compliance activities/facilities must be submitted to CAISO's TPP. *Id.* P 24.

¹¹ *Id.* P 23.

2. How does each CASIO PTO determine if actions taken to maintain, repair, or replace facilities should be considered and reviewed through CAISO's TPP? Which transmission-related maintenance and compliance activities/facilities are submitted for consideration and review through CAISO's TPP and which activities or transmission facilities are considered and reviewed solely by PTOs? Please explain.
3. Are there criteria or parameters that each CAISO PTO uses to determine which transmission-related maintenance and compliance activities/facilities to submit to CAISO for consideration and review through CAISO's TPP? What factors are considered (*e.g.*, cost, voltage level, length, rating)? Please explain.
4. Do CAISO's tariff or BPMs provide guidance and clarity to CAISO PTOs regarding what transmission-related maintenance and compliance activities/facilities must be considered and reviewed through CAISO's TPP? If so, please list the relevant sections.
5. For transmission-related maintenance and compliance activities/facilities that may enhance the transmission system (such as additions that increase line ratings or extend the useful life of a transmission asset), how does each CAISO PTO determine whether this maintenance or compliance activity/facility should be considered and reviewed as part of CAISO's TPP? Where are the criteria or parameters related to this determination documented or otherwise made available?
6. When deciding whether to submit a transmission-related maintenance and compliance activity/facility for consideration and review through CAISO's TPP, does each CAISO PTO differentiate between transmission-related maintenance and compliance activities/facilities that require immediate action (*e.g.*, non-functioning transmission infrastructure) and those that do not require immediate action and may be addressed over a longer timeframe? Please explain how this differentiation is decided. Are there criteria or parameters used by the CAISO PTO to make this differentiation? If so, where are such criteria or parameters documented or otherwise made available?
7. Is there a process through which each CAISO PTO evaluates whether a transmission-related maintenance and compliance activity/facility that was not initially submitted to CAISO's TPP should be transitioned into the CAISO TPP for consideration and review? If so, please describe that process, including what criteria or parameters are considered in reaching the conclusion to transition to CAISO's TPP. Also,

please explain where such criteria or parameters are documented or otherwise made available.

8. What information does each CAISO PTO submit to CAISO (during Phase I of the TPP) concerning the transmission-related maintenance and compliance activities/facilities planned outside of CAISO's TPP? Please explain what type of information is provided and what level of detail is included.

9. What is the process through which each CAISO PTO performs transmission planning activities outside of CAISO's TPP? Please describe that process in detail.

10. Are there processes for stakeholders to review and provide input on transmission-related maintenance and compliance activities/facilities, including transmission-related capital additions, not included in CAISO's TPP? If so, please describe these processes in detail, including whether there is an opportunity for stakeholders to review and provide input on cost and other factors. Please also describe the timeframe for providing this input.

11. How does each CAISO PTO decide whether to pursue reliability-related transmission-related maintenance and compliance activities/facilities that are not required by the North American Electric Reliability Corporation (NERC), Western Electricity Coordinating Council (WECC), or other regulatory entities? What criteria or parameters are used by each CAISO PTO to make this decision? Where are such criteria or parameters documented or otherwise made available?

12. Is there a difference between (a) the process through which each CAISO PTO pursues solutions to transmission-related maintenance and compliance activities/facilities that arise from NERC and WECC reliability standards or reliability standards established by other regulatory entities, and (b) the process through which each CAISO PTO pursues solutions to other transmission-related maintenance and compliance activities/facilities? If so, please explain (1) the difference between the two processes and (2) elaborate on the reasons for the differences.

13. Please explain how costs associated with transmission-related maintenance and compliance activities/facilities developed outside of the CAISO TPP are reflected in wholesale and retail transmission rates.

14. How does each CAISO PTO determine whether transmission-related maintenance, repair, or replacement activities/facilities should be

capitalized or expensed as operations and maintenance costs? Please explain.

15. What recommendations do you have for each CAISO PTO to increase the transparency of the process for stakeholders and others with respect to the CAISO PTOs' planning for transmission-related maintenance and compliance activities/facilities? How would these recommendations affect the CAISO PTOs? Would such effects be manageable? If not, why not? If changes to increase transparency could be made, should they be the same for each CAISO PTO?

The technical conference will be led by Commission staff, and is open to the public. All interested persons may attend the conference, and registration is not required. However, in-person attendees are encouraged to register on-line by April 20, 2018 at <https://www.ferc.gov/whats-new/registration/05-01-18-form.asp>. This event will NOT be webcast. However, for those who cannot attend in person, we will provide a listen-only telephone line, if requested. Those wishing this service should register at the link provided and specify the telephone line option.

The conference will consist of questions posed by Commission staff and responses provided by CAISO, the CAISO PTOs, and complainants. There may also be an opportunity for follow-up questions and comments from attendees during those discussions. The specific agenda and procedures to be followed at the conference will be announced by staff at the opening of the conference.

The technical conference will be transcribed, and the transcript will be available immediately for a fee from Ace Reporting Company ((202) 347-3700)).

Commission conferences are accessible under section 508 of the Rehabilitation Act of 1973. For accessibility accommodations, please send an email to accessibility@ferc.gov or call toll free (866) 208-3372 (voice) or (202) 502-8659 (TTY), or send a fax to (202) 208-2106 with the required accommodations.

Following the technical conference, all interested persons are invited to file initial and reply post-technical conference comments on the topics discussed during the technical conference, including the questions listed above. Commenters may reference material previously filed in this docket, including the technical conference transcript, but are encouraged to avoid repetition or replication of previous material. Initial comments are due on or before May 31, 2018; reply comments are due on or before June 15, 2018. Initial comments should not exceed 15 pages, and reply comments should not exceed 10 pages. The written comments will be included in the formal record of the proceeding, which, together with the record developed to date, will form the basis for further

Commission action.

FOR FURTHER INFORMATION, PLEASE CONTACT INDIVIDUALS
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Kimberly D. Bose,
Secretary.

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